



January 27, 2006

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To: Government Oversight Committee

From: Jennifer Acton

Re: Sixty-Five Cent E911 Wireless Surcharge Fourth Calendar
Quarter Report (October through December 2005)

The Legislative Services Agency has received the 4th calendar
quarter report from the office of Homeland Security and
Emergency Management Division as required in Section
34A.7A(3)(b), Code of Iowa.

The Division received \$3.3 million in revenue from the \$0.65 E911
wireless surcharge. This is an increase of \$348,000 compared to
the previous quarter. Chapter 34A.7A, Code of Iowa, specifies the
priority order in which the collected surcharge funds are to be
expended. The total expended this quarter was \$2.7 million.
Listed below, by priority order, are the amounts expended:

- \$50,000 per quarter for administration which includes 2.5 FTE positions, an annual audit, and program operating costs. Intent language in HF 811 (FY 2006 Justice System Appropriations Act) specifies that up to \$200,000 of the wireless surcharge money may be used for these expenses each fiscal year.
- \$635,000 for wireless service provider cost recovery. This is an increase of \$20,000 compared to the previous quarter. The \$635,000 amount reflects 21.0% of the revenue generated, which is allocated to the wireless carriers to recover costs associated with providing wireless E911 Phase 1 (tower address, call back number) service.
- \$254,000 for wire-line transport costs for local carriers. This is a decrease of \$20,000 compared to the previous quarter. This amount is a reimbursement to telephone companies for their actual costs of transporting the wireless E911 call from the selective router to the Public Safety Answering Point (PSAP).
- \$1.2 million for automated location information costs for local carriers. This is a decrease of \$119,000 compared to the previous quarter. This amount is a reimbursement to companies that provide Automatic Location Information (ALI) database services and selective routing.
- \$262,000 for debt retirement, which completes this obligation. The outstanding debt was accrued from E911 Phase 1 obligations incurred prior to July 1, 2004.

- \$159,000 for the Public Safety Answering Points System (PSAPS) plus \$238,000 pro-rated from the retirement of the debt. There are currently 124 PSAPS which provide 55,996 square miles of coverage. This past quarter, the PSAPS received 95,565 wireless calls. For the first calendar quarter of 2006, the amount to the PSAPS will increase to 24.0% of the surcharge generated. The funds will be distributed to the PSAPS based on the following formula: 65.0% of the total based on the square mileage of the local 911 service area and 35.0% of the total based on the volume of the wireless E911 calls that the PSAPS receive.
- \$617,000 carryover for future Phase 2 network and PSAP upgrades and improvements. There was \$457,000 in carryover from the previous quarter for a total of \$1,074,000 in carryover funds available. The Division is proposing to expand the E911 network to a digital, IP-based technology environment. This will improve the redundancy and reliability of the network.

Pursuant to SF 2298 (FY 2005 Omnibus Appropriations Act), the Oversight Committee is required to review the priority order of the distribution of funds every two years. The next review is July 2006.